STATE OF MARYLAND

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CHAIR

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MARYLAND HEALTH CARE COMMISSION

Thursday, April 17, 2008
Minutes

Chair Moon called the meeting to order at 1:10 p.m.

Commissioners present: Conway, Falcone, Krumm, Lucht, McLean, Moore, Olsen, Ontaneda-Bernales, Pollak, Sensabaugh, Todd, and Wilensky.

ITEM 1.

Approval of the Minutes

Commissioner Moore asked that the minutes of the March 20, 2008 public meeting be corrected to reflect his attendance. With that correction, Commissioner Krumm made a motion to approve the minutes of the March 20, 2008 public meeting of the Commission, which was seconded by Commissioner Todd, and unanimously approved.

ITEM 2.

Update of Activities

Rex Cowdry, Executive Director, provided an update to the Commission on the implementation of the premium subsidy program established by the Working Families and Small Business Health Coverage Act (Senate Bill 6), which was passed by the General Assembly during its 2007 special session. He noted that Commissioner McLean has agreed to review the draft regulations prior to posting on the Commission's website for informal comment. The proposed regulations will be presented to the Commission for action at the May public meeting.

ITEM 3.

ACTION: Requests for Waiver to Provide Primary PCI without Cardiac Surgery On-Site

Dolores Sands, Chief, Specialized Health Care Services, presented the staff recommendation on an application submitted by Carroll Hospital Center for a waiver to provide primary PCI without on-site cardiac surgery. Ms. Sands provided the Commission with background information on the development

of the regulations governing cardiac surgery and primary percutaneous coronary intervention (pPCI) services. She also discussed the waiver application process, as well as details on Carroll Hospital Center's application submission. Ms. Sands said that Carroll Hospital Center proposed the initiation of primary PCI services in the current cardiac catheterization laboratory and that it would add a second dedicated catheterization lab after the initiation of services. Ms. Sands noted that the hospital has established a collaborative partnership with the University of Maryland Medical System and University of Maryland Physicians, Inc. and will continue to work jointly with the university's representatives on the design, implementation, and operations of the program. Ms. Sands said that, based on the staff's analysis and the record in this review, the Executive Director recommended that a one-year waiver be issued that permits Carroll Hospital Center to establish primary percutaneous coronary intervention services without on-site cardiac surgery, subject to the following conditions: (1) the hospital must provide documentation that the physicians who will perform primary PCI meet the credentialing criteria for the Hospital prior to the initiation of primary PCI services; and, (2) the hospital must attain and maintain compliance with the requirements for primary PCI programs found in COMAR 10.24.17, Table A-1, including the timely provision of outcome and performance data to the Commission in a format and according to a schedule established by the Commission. Commissioner Falcone made a motion to grant a one-year primary PCI waiver to Carroll Hospital Center as recommended by the Executive Director, which was seconded by Commissioner Todd and unanimously approved. Commissioner Pollak recused himself from this action.

ACTION: Carroll Hospital Center – Docket No. 08-06-0026 WN, Executive Director Recommendation to Grant One-Year Waiver to Provide Primary PCI without Cardiac Surgery On-Site is hereby APPROVED.

ITEM 4.

ACTION: Certificate of Need – Govans Ecumenical Development Corporation (GEDCO), Docket No. 07-24-2224

Rhoda Wolfe-Carr, Health Policy Analyst, said that Govans Ecumenical Development Corporation (GEDCO) applied for a Certificate of Need proposing the construction of a four story, 33,120 square foot comprehensive care facility with 49 beds on the Stadium Place campus. She said that Stadium Place is located in Baltimore City, on the former site of Memorial Stadium. Ms. Wolfe-Carr said the 49 temporarily delicensed beds were donated to GEDCO by the Johns Hopkins Bayview Medical Center. She noted that the project will be designed and operated using the GREEN HOUSE® model. Ms. Wolfe-Carr said that Staff found that this proposed project meets the applicable CON review criteria and State Health Plan standards and recommended that the Commission approve the Certificate of Need with conditions. Following discussion, Commissioner Moore made a motion to approve the Staff recommendation, which was seconded by Commissioner Conway and unanimously approved. Commissioners Falcone and Ontaneda-Bernales recused themselves from this action.

ACTION: Certificate of Need – Govans Ecumenical Development Corporation (GEDCO), Docket No. 07-24-2224, is hereby APPROVED.

ITEM 5.

MOTIONS HEARING: Appeal of Dynamic Visions Regarding Reviewer's Decision to De-Docket Certificate of Need Application Proposing Establishment of a Home Health Agency in Montgomery County

Chair Moon asked if a representative from Dynamic Visions was present to speak on its motion and received no response. She then proceeded to the next agenda item.

ITEM 6.

ACTION: Planning Projects for a Citizen-Centric Health Information Exchange

David Sharp, Director of the Center for Health Information Technology presented staff recommendations on the Citizen-Centric Health Information Exchange for Maryland to the Commission. MHCC released a Request for Applications (RFA) on January 2rd inviting multi-stakeholders to submit a response to the RFA. Approximately six proposals were received by the March 3rd due date. Responses were received from Chesapeake Regional Information System for our Patients (CRISP); Howard County Health Project; Maryland Advisory Committee for Health Information Exchange; Montgomery County HIE Collaborative; University of Maryland Medical System; and LifeBridge Health Systems that later withdrew its application. This is a two-phased project; the planning phase will take about nine months, to identify the best ideas that can be merged into a single RFA to build a statewide health information exchange. Staff proposed that the Commission recommend for consideration by the Health Services Cost Review Commission (HSCRC), the approval of CRISP and the Montgomery County HIE Collaborative. Key features of these two RFAs were then presented to the Commission. Following discussion, Vice Chair Wilensky made a motion to approve the staff recommendation, which was seconded by Commissioner Conway and unanimously approved. Commissioners Falcone, Krumm, Ontaneda-Bernales, Pollak, and Todd recused themselves from this matter.

ACTION: Planning Projects for a Citizen-Centric Health Information Exchange was thereby APPROVED.

ITEM 7.

LEGISLATIVE WRAP UP

Nicole Stallings, Chief, Government Relations and Special Projects, provided a final status report of the 2008 legislative session. Ms. Stallings was pleased to announce that the legislature approved the funding for the Small Business Premium Subsidy Health Benefit Program at $15 million. She then summarized the following enacted legislation:

HB 271 "Medical Review Committees" broadens the definition of a medical review committee to include the MHCC or its staff when performing certain, narrowly defined functions. This measure will assure that reports that are initially protected from discovery under the existing medical review committee statute will remain protected from discovery when transferred to the MHCC by another medical review committee.

HB 462 "Small Group Market – Self Employed Individuals – Sunset Extension" extends the termination date of a provision excluding self-employed individuals from enrolling in the small group market by three

years to September 30, 2011. The MHCC supported this exclusion in order to protect against adverse selection which would impair the integrity of the risk pool and would raise premiums for current small group participants.

SB 916 "Maryland Trauma Physician Services Fund – Reimbursement and Grants" implemented recommendations which were adopted by the Commission at the November 2007 public meeting for measures to deliberately spend down the existing fund surplus.

HB 1391 "Kids First Act" includes provisions that require the Commission and the Office of the Comptroller to study and make recommendations on the implementation of a health care coverage mandate for dependent children by 2011 if more than 3% of children in the State are estimated to be uninsured. Ms. Stallings noted that a report is to be submitted to the General Assembly by January 1,

2010, and an update to be submitted by January 1, 2011. HB 1391 also requires the Commission and the Maryland Insurance Administration to assist the Department of Health and Mental Hygiene in a study recommending processes to improve eligibility determination for Medicaid and MCHP.

Ms. Stallings said that staff received legislative requests to study several issues, including: requiring college students to obtain health insurance coverage; repealing a Certificate of Need requirement for Home Health Agencies; and extending coverage for child dependents in the Small Group Market up to age 25. She also said that staff would continue to evaluate mandated benefits and submit an annual report to the legislature in December 2008. Ms. Stallings concluded by mentioning the ongoing legislative activities and task force participation that the Commission would be briefed on in the coming months.

ITEM # 8

PRESENTATION: Prescription Drug Spending - Spotlight

Ben Steffen, Center Director for Data Systems and Analysis, provided a summary of the prescription drug spending trends in Maryland, particularly noting that the top ten fastest growing therapeutic classes (in terms of spending share) accounted for almost 15 percent of privately insured drug spending for nonelderly Maryland residents in 2006. This analysis of prescription drug use by nonelderly, privately insured Maryland residents—using the Commission's Maryland Medical Care Data Base—examined the therapeutic drug classes with the largest increases in the share of total drug spending from 2004 to 2006 and the factors underlying their growth. Mr. Steffen said that increases in drug prices have become less of a factor in recent drug spending growth, accounting for approximately half of the growth in overall drug spending in 2006, with the balance of the spending increase mainly attributable to increased utilization. However, the relative impact of price versus utilization varies by therapeutic class. Price increases—measured by increases in the average spending per medicated day—appeared to be substantial in four of the ten therapeutic classes: antirheumatics; insulin, miscellaneous anxiolytics, sedatives, & hypnotics; and antihyperlipidemic combinations. Spending growth in miscellaneous anxiolytics, sedatives, & hypnotics was fueled in part by price increases for Ambien©, which holds about two-thirds of the market for hypnotics.

Increases in prevalence of use can be attributed to a number of factors, including heightened demand for pharmaceuticals fueled in part by direct-to-consumer (DTC) advertising, the continually expanding therapeutic reach of pharmaceuticals through both new drugs and new uses for existing drugs, and the availability of less expensive generics (although there were few generics among the fastest growing therapeutic classes). Annualized growth in the number of users was substantial for six of the ten fastest growing therapeutic classes. Growth in users was especially high for antihyperlipidemic combinations

(which includes Vytorin), with a 56 percent annual increase, due to efforts to expand screening for and treatment of cardiovascular diseases coupled with continuing high rates of cardiovascular disease, the introduction of Vytorin, and high levels of DTC advertising. The introduction of new drugs contributed to increased utilization in other therapeutic classes as well, with miscellaneous anxiolytics, sedatives, & hypnotics, antihypertensive combinations, and antiviral combinations each having two or more new drugs introduced in 2004–2006.

The use of combination drugs in which two or more medications are combined and administered in a single dose—which defines three of the fastest growing classes—is a growing trend. It seems to be driven, at least in part, by impending patent expirations of the component drugs; additionally, manufacturers promote them as likely to improve medication compliance among patients who were formerly taking the components individually since patients will now have half the pills to take, prescriptions to fill, and co-pays.

ITEM #9

ADJOURNMENT

Chair Moon asked again if there was a representative from Dynamic Visions present to speak on its motion and received no response. There being no further business, the meeting was adjourned at 2:45 p.m., upon motion of Commissioner Pollak, which was seconded by Commissioner Krumm and unanimously approved.